## Materiality (Key Issues)

## **Materiality Identification Process**

Selection of materiality candidates

Selection of issues to be considered by sustainability implementation members with reference to social issues, market and social trends, GRI standards, etc. 2 Evaluation and analysis of materiality candidates

Analysis and evaluation based on our materiality and the materiality of our stakeholders Assessment of appropriateness by management

Interviews with outside directors and others on identified material issues, including identification processes, to evaluate the appropriateness of materiality Identification of materiality

Selection of priority topics to be addressed through deliberations by the Management Council 5 Review

Review of initiatives linked to corporate policies, confirmation at Sustainability Council, and periodic review of materiality

		Key Sustainability Issues (Materiality)	Main Initiatives (Social Issues/Opportunities and Risks to be Addressed
		Responding to the transformation of the automobiles Reducing traffic fatalities for realizing a safe, secure, and comfortable mobility society	<ul> <li>Development of new products for BEVs (P.26)</li> <li>Expanding sales to BEV leading markets and OEMs (P.25)</li> <li>Development and sales expansion of airbag products to deliver safety and comfort to all (P.27) (P.48)</li> </ul>
		<ul> <li>Creating new businesses utilizing core technologies</li> </ul>	<ul> <li>Expanding new businesses by leveraging experience in new business development P.34</li> <li>Deployment of corporate venture capital (CVC) P.37</li> <li>Realization of smart factories (double productivity) P.38</li> </ul>
		<ul> <li>Creating a decarbonized society by reducing CO<sub>2</sub> emissions and greenhouse gas emissions</li> <li>Creating a recycling-oriented society through waste reduction and water risk reduction</li> </ul>	<ul> <li>Creating environmentally-friendly businesses by leveraging our knowledge in the rubber and plastics fields P.29 P.33</li> <li>Globally integrated operations to achieve carbon neutrality P.54</li> <li>Contribution to a recycling-oriented society (Car to Car recycling) P.58</li> </ul>
		<ul><li>Living together with local communities</li><li>Use of diverse human resources and respect for human rights</li></ul>	<ul> <li>Initiatives rooted in local communities (local self-reliant management, Center of Excellence)</li> <li>Diversity &amp; inclusion</li> <li>P.62</li> <li>Safety and health management</li> <li>Strengthening quality and supply chain to support sustainability management</li> <li>P.65</li> <li>Responding to geopolitical and economic risks</li> <li>P.82</li> </ul>
		<ul><li>Corporate governance as a company with integrity</li><li>Ensuring compliance</li></ul>	<ul> <li>Strengthening of BCP resilience P.84</li> <li>Enhancing of internal controls P.70</li> </ul>

Value Creation Story

KPIs and Medium- to Long-term Targets (FY2030)	Relevant SDGs Most Important Areas
■BEV-related share of revenue: 40%  BEV production volume/Car production volume  * Based on S&P Global Information	3 GOOD HEATH  AND WILL HING  —
● Airbag production volume: +1.5 fold increase (compared to FY2022)	Achieving a safer, more secure, and more comfortable mobility society
<ul> <li>Based on cash allocation         (Allocating funds mainly for R&amp;D, human resources, and strategic investments with the aim of expanding fields that contribute to safety, comfort, and decarbonization)     </li> </ul>	9 NOLITY NOTITION 300 INTERCENT TO SOLITY IN THE PROJECT OF SOLITY IN THE PROJECT OF SOLITY IN THE PROJECT OF SOLITY AND PROJECTION.  12 REPROJECT OF SOLITY AND PROJECT OR SOLITY OF SOLITY AND PROJECT OR SOLITY OF SO
<ul> <li>Scopes 1 and 2: Carbon neutral</li> <li>Waste volume (total) [non-consolidated]: -50% (compared to FY2012)</li> <li>Scope 3: -27.5% (compared to FY2019)</li> <li>Waste volume (unit) [overseas]: -55% (compared to FY2015)</li> <li>Renewable energy adoption rate: 100%</li> </ul>	Realization of a decarbonized, recycling-oriented society
<ul> <li>Percentage of employees receiving training on human rights: 100%</li> <li>Employee engagement affirmation rate [non-consolidated]: 75%</li> <li>Ratio of local executives (vice presidents and above) at overseas locations: 60% or more</li> <li>Number (ratio) of female managers [non-consolidated]: 100 (8.8%)</li> <li>Ratio of mid-career hires in management positions [non-consolidated]: 30% or more</li> <li>Number of serious accidents: 0</li> <li>Percentage of suppliers implementing sustainability activities: 100%</li> </ul>	8 recent work and Consultation and Consu
<ul><li>Number of major legal violations: 0</li><li>Major cyber security incidents: 0</li></ul>	Fair and transparent corporate governance system